

# **FRESNO COUNTY**

## **Audit Report**

### **CHILD ABDUCTION AND RECOVERY PROGRAM**

Chapter 1399, Statutes of 1976,  
Chapter 162, Statutes of 1992, and  
Chapter 988, Statutes of 1996

*July 1, 1998, through June 30, 2001*



**STEVE WESTLY**  
California State Controller

December 2003



**STEVE WESTLY**  
**California State Controller**

December 31, 2003

The Honorable Vicki Crow  
Auditor-Controller/Treasurer-Tax Collector  
Fresno County  
2281 Tulare Street, Room 105  
Fresno, CA 93721

Dear Ms. Crow:

The State Controller's Office (SCO) has completed an audit of the claims filed by Fresno County for costs of the legislatively mandated Child Abduction and Recovery Program (Chapter 1399, Statutes of 1976; Chapter 162, Statutes of 1992; and Chapter 988, Statutes of 1996) for the period of July 1, 1998, through June 30, 2001.

The county claimed \$3,362,219 for the mandated program. Our audit disclosed that \$3,057,352 is allowable and \$304,867 is unallowable. The unallowable costs occurred primarily because the county overstated its indirect costs and fixed assets claimed, used incorrect hourly rates for several employees, and claimed unallowable expenses as employee benefit costs. The county was paid \$3,175,665. The amount paid in excess of allowable costs claimed totals \$118,313.

The SCO has established an informal audit review process to resolve a dispute of facts. The auditee should submit, in writing, a request for a review and all information pertinent to the disputed issues within 60 days after receiving the final report. The request and supporting documentation should be submitted to: Richard J. Chivaro, Chief Counsel, State Controller's Office, Post Office Box 942850, Sacramento, CA 94250-0001.

If you have any questions, please contact Jim L. Spano, Chief, Compliance Audits Bureau, at (916) 323-5849.

Sincerely,

*Original Signed By:*

VINCENT P. BROWN  
Chief Operating Officer

VPB:jj

cc: (See page 2)

cc: Jerry Halphin

Business Manager

Fresno County Department of Child Support Services

Stephen Rusconi

Principal Staff Analyst

Fresno County Office of the District Attorney

Calvin Smith, Program Budget Manager

Corrections and General Government

Department of Finance

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# Audit Report

## Summary

The State Controller's Office (SCO) has completed an audit of the claims filed by Fresno County for costs of the legislatively mandated Child Abduction and Recovery Program (Chapter 1399, Statutes of 1976; Chapter 162, Statutes of 1992; and Chapter 988, Statutes of 1996) for the period of July 1, 1998, through June 30, 2001. The last day of fieldwork was July 9, 2003.

The county claimed \$3,362,219 for the mandated program. The audit disclosed that \$3,057,352 is allowable and \$304,867 is unallowable. The unallowable costs occurred primarily because the county overstated its indirect costs and fixed assets claimed, used incorrect hourly rates for several employees, and claimed unallowable expenses as employee benefit costs. The county was paid \$3,175,665. The amount paid in excess of allowable costs claimed, totals \$118,313.

## Background

On September 19, 1979, the State Board of Control (now known as the Commission on State Mandates) determined that Chapter 1399, Statutes of 1976, imposed a reimbursable state mandate upon counties. This mandate requires district attorney's offices to actively assist in the resolution of child custody problems. The mandate includes all actions necessary to locate a child and to enforce child custody decrees, orders to appear, or any other court order related to the return of an illegally detained, abducted, or concealed child.

*Parameters and Guidelines*, adopted by the Commission on State Mandates, established the state mandate and defined criteria for reimbursement. In compliance with *Government Code* Section 17558, the SCO issues claiming instructions for each mandate requiring state reimbursement, to assist school districts and local agencies in claiming reimbursable costs.

## Objective, Scope, and Methodology

The audit objective was to determine whether costs claimed are increased costs incurred as a result of the legislatively mandated Child Abduction and Recovery Program (Chapter 1399, Statutes of 1976; Chapter 162, Statutes of 1992; and Chapter 988, Statutes of 1996) for the period of July 1, 1998, through June 30, 2001.

The auditor performed the following procedures:

- Reviewed the costs claimed to determine if they were increased costs resulting from the mandated program;
- Traced the costs claimed to the supporting documentation to determine whether the costs were properly supported;
- Confirmed that the costs claimed were not funded by another source; and
- Reviewed the costs claimed to determine that the costs were not unreasonable and/or excessive.

The SCO conducted the audit in accordance with *Government Auditing Standards*, issued by the Comptroller General of the United States. The SCO did not audit the county's financial statements. The scope was limited to planning and performing audit procedures necessary to obtain reasonable assurance concerning the allowability of expenditures claimed for reimbursement. Accordingly, transactions were examined, on a test basis, to determine whether the amounts claimed for reimbursement were supported.

Review of the county's management controls was limited to gaining an understanding of the transaction flow and claim preparation process as necessary to develop appropriate auditing procedures.

## Conclusion

The audit disclosed instances of noncompliance with the requirements outlined above. These instances are described in the accompanying Summary of Program Costs (Schedule 1) and shown in the Findings and Recommendations section of this report.

For the audit period, Fresno County claimed \$3,362,219 for costs of the legislatively mandated Child Abduction and Recovery Program. The audit disclosed that \$3,057,352 is allowable and \$304,867 is unallowable.

For fiscal year (FY) 1998-99, the county was paid \$1,185,756 by the State. The audit disclosed that \$1,076,408 is allowable. The amount paid in excess of allowable costs claimed, totaling \$109,348, should be returned to the State.

For FY 1999-2000, the county was paid \$1,159,394 by the State. The audit disclosed that \$982,359 is allowable. The amount paid in excess of allowable costs claimed, totaling \$177,035, should be returned to the State.

For FY 2000-01, the county was paid \$830,515 by the State. The audit disclosed that \$998,585 is allowable. Allowable costs claimed in excess of the amount paid, totaling \$168,070, will be paid by the State based on available appropriations.

## Views of Responsible Officials

The SCO issued a draft audit report on August 29, 2003. Elizabeth A. Egan, District Attorney, responded by the attached letter received October 10, 2003, disagreeing with the audit results with the exception of Finding 1. The county's response is included in this final audit report.

**Restricted Use**

This report is solely for the information and use of Fresno County, the California Department of Finance, and the SCO; it is not intended to be and should not be used by anyone other than these specified parties. This restriction is not intended to limit distribution of this report, which is a matter of public record.

*Original Signed By:*

JEFFREY V. BROWNFIELD  
Chief, Division of Audits

# Schedule 1— Summary of Program Costs July 1, 1998, through June 30, 2001

Cost Elements	Actual Costs Claimed	Allowable per Audit	Audit Adjustments	Reference <sup>1</sup>
<u>July 1, 1998, through June 30, 1999</u>				
Salaries and benefits	\$ 823,824	\$ 802,112	\$ (21,712)	Finding 1
Services and supplies	27,148	207,266	180,118	Finding 2
Subtotals	850,972	1,009,378	158,406	
Indirect costs	341,702	73,948	(267,754)	Finding 2
Subtotals	1,192,674	1,083,326	(109,348)	
Less offsetting savings/reimbursements	(6,918)	(6,918)	—	
Total costs	<u>\$ 1,185,756</u>	1,076,408	<u>\$ (109,348)</u>	
Less amount paid by the State		(1,185,756)		
Allowable costs claimed in excess of (less than) amount paid		<u>\$ (109,348)</u>		
<u>July 1, 1999, through June 30, 2000</u>				
Salaries and benefits	\$ 717,973	\$ 716,127	\$ (1,846)	Finding 1
Services and supplies	11,985	130,120	118,135	Finding 2
Travel and training	21,939	54,855	32,916	Finding 2
Fixed assets	21,715	18,668	(3,047)	Finding 3
Subtotals	773,612	919,770	146,158	
Indirect costs	391,100	67,907	(323,193)	Finding 2
Subtotals	1,164,712	987,677	(177,035)	
Less offsetting savings/reimbursements	(5,318)	(5,318)	—	
Total costs	<u>\$ 1,159,394</u>	982,359	<u>\$ (177,035)</u>	
Less amount paid by the State		(1,159,394)		
Allowable costs claimed in excess of (less than) amount paid		<u>\$ (177,035)</u>		
<u>July 1, 2000, through June 30, 2001</u>				
Salaries and benefits	\$ 745,012	\$ 743,280	\$ (1,732)	Finding 1
Services and supplies	68,584	68,584	—	
Travel and training	57,780	57,780	—	
Fixed assets	112,377	95,625	(16,752)	Finding 3
Subtotals	983,753	965,269	(18,484)	
Indirect costs	59,000	59,000	—	
Subtotals	1,042,753	1,024,269	(18,484)	
Less offsetting savings/reimbursements	(25,684)	(25,684)	—	
Total costs	<u>\$ 1,017,069</u>	998,585	<u>\$ (18,484)</u>	
Less amount paid by the State		(830,515)		
Allowable costs claimed in excess of (less than) amount paid		<u>\$ 168,070</u>		



## Schedule 1 (continued)

Cost Elements	Actual Costs Claimed	Allowable per Audit	Audit Adjustments	Reference <sup>1</sup>
<u>Summary: July 1, 1998, through June 30, 2001</u>				
Salaries and benefits	\$ 2,286,809	\$ 2,261,519	\$ (25,290)	Finding 1
Services and supplies	107,717	405,970	298,253	Finding 2
Travel and training	79,719	112,635	32,916	Finding 2
Fixed assets	134,092	114,293	(19,799)	Finding 3
Subtotals	2,608,337	2,894,417	286,080	
Indirect costs	791,802	200,855	(590,947)	Finding 2
Subtotals	3,400,139	3,095,272	(304,867)	
Less offsetting savings/reimbursements	(37,920)	(37,920)	—	
Total costs	<u>\$ 3,362,219</u>	3,057,352	<u>\$ (304,867)</u>	
Less amount paid by the State		<u>(3,175,665)</u>		
Allowable costs claimed in excess of (less than) amount paid		<u>\$ (118,313)</u>		

<sup>1</sup> See the Findings and Recommendations section.

# Findings and Recommendations

## **FINDING 1— Unallowable salaries and related benefits**

Fresno County claimed unallowable salaries and benefits totaling \$25,290. The county used incorrect hourly rates to claim costs for part-time and temporary employees, and claimed unallowable expenses as employee benefit costs.

The county claimed salary costs by computing a productive hourly rate for all employees. The productive hourly rate included compensation for vacation, sick leave, holiday, and other paid absences. However, salary costs claimed included salary costs for part-time and temporary employees who do not earn paid absences. Thus, salary costs for these employees should have been claimed using a non-productive hourly rate. Based on actual salary costs incurred for part-time and temporary employees, the county claimed unallowable costs totaling \$18,238.

In addition, the county claimed employee benefit costs using an average benefit rate for the District Attorney's Office, Family Support Division. The benefit rate claimed included costs for "reportable mileage." County personnel indicated that reportable mileage is reimbursed to county employees who use personal automobiles for work-related travel. Reportable mileage is not an allowable employee benefit cost. Reportable mileage should be either direct-charged as a travel expense or included in the county's indirect cost rate proposal. Unallowable employee benefit costs claimed for reportable mileage totaled \$7,052.

*Parameters and Guidelines*, adopted by the Commission on State Mandates for the Child Abduction and Recovery Program, Section VII, states that costs claimed for salaries and benefits shall be supported by information showing the productive hourly rate and related benefits. Section VIII states that all costs claimed must be traceable to source documents and/or worksheets that show evidence of and the validity of such costs.

A summary of the audit adjustment is as follows:

	Fiscal Year			
	1998-99	1999-2000	2000-01	Total
Salaries and benefits:				
Productive hourly rates	\$ (16,545)	\$ (919)	\$ (774)	\$ (18,238)
Employee benefits	(5,167)	(927)	(958)	(7,052)
Total audit adjustment	<u>\$ (21,712)</u>	<u>\$ (1,846)</u>	<u>\$ (1,732)</u>	<u>\$ (25,290)</u>

### Recommendation

The county should ensure that non-productive hourly rates are used when claiming salary costs for part-time and temporary employees. Further, the county should ensure that employee benefit costs claimed include only those allowable benefits that comprise compensation in addition to regular salaries and wages.

County's Response

The county agreed with the audit finding and implemented the recommendation.

**FINDING 2—  
Overstated indirect  
costs and related  
understated direct  
costs**

Costs claimed by the county in FY 1998-99 and FY 1999-2000 for services and supplies and for travel and training were overstated. Unallowable costs totaled \$259,778.

The county claimed services and supplies, and travel and training expenses as both direct and indirect costs. The county revised its accounting system in FY 2000-01 for the District Attorney's Office, Family Support Division (FSD), to more accurately allocate costs between the four units within the Division: Child Support, Welfare Fraud, Special Remedies, and Child Abduction. The revised accounting system allowed the FSD to direct-charge most services and supplies, and travel and training expenses to the four units. In FY 1998-99 and FY 1999-2000, most services and supplies, and travel and training expenses were charged to the four units through the indirect cost rate proposal (ICRP).

The indirect cost rate for FY 2000-01 was significantly lower than the rates for the two previous fiscal years, while there was a corresponding increase in direct costs claimed. The combined direct and indirect costs claimed in FY 2000-01 for services and supplies, and travel and training allocable to the Child Abduction Unit, as a percentage of direct salaries and wages, is significantly lower than costs claimed for FY 1998-99 and FY 1999-2000. However, salaries and benefits, and services and supplies costs incurred by the FSD as a whole were relatively consistent between the three fiscal years. Therefore, based on the county's ICRP for FY 2000-01, the SCO concluded that the county's previous accounting system for FY 1998-99 and FY 1999-2000 did not reasonably allocate services and supplies, and travel and training expenses to the Child Abduction Unit according to the relative benefit received.

In responding to the draft audit report, the county representative stated that because FY 2000-01 was the first year in which the new accounting system was implemented, the likelihood was higher for direct costs to be charged to the wrong unit within FSD. The county believes FY 2001-02 is a more accurate representation of direct services and supplies, and travel and training expenses incurred by each unit within FSD. The auditor reviewed FY 2001-02 services and supplies, and travel and training costs claimed for the Child Abduction Unit and found that costs were properly supported. However, combined direct and indirect costs claimed in FY 2001-02 for services and supplies, and travel and training costs allocable to the Child Abduction Unit, as a percentage of direct salaries and wages, continues to be significantly lower than costs claimed for FY 1998-99 and FY 1999-2000.

The county claimed indirect costs based on indirect cost rates of 54%, 69%, and 12% for FY 1998-99, FY 1999-2000, and FY 2001-02, respectively. Because the indirect cost rate proposal for FY 2001-02 is a more accurate representation of benefits received by the Child Abduction Unit, allowable indirect costs for FY 1998-99 and FY 1999-2000 are

computed based on the FY 2001-02 indirect cost rate of 12%. As a result, unallowable indirect costs totaled \$267,754 for FY 1998-99, and \$323,193 for FY 1999-2000.

The SCO made corresponding adjustments to increase allowable direct costs claimed for services and supplies, and travel and training expenses in FY 1998-99 and FY 1999-2000. Allowable direct costs for these fiscal years were calculated based on the percentage of direct costs for FY 2001-02 as a proportion of claimed salaries and benefits. The county claimed services and supplies, and travel and training expenses under one claim component (Services and Supplies) in FY 1998-99, and under two claim components in FY 1999-2000. For FY 1998-99, the SCO increased allowable services and supplies claimed by \$180,118. For FY 1999-2000, the SCO increased allowable services and supplies costs by \$118,135, and allowable travel and training costs by \$32,916.

*Parameters and Guidelines*, Section VII, states that compensation for indirect costs is eligible for reimbursement using the procedure provided in Office of Management and Budget (OMB) Circular A-87. OMB Circular A-87 states that indirect cost pools should be distributed to benefited cost objectives on bases that will produce an equitable result in consideration of relative benefits received.

A summary of the audit adjustment is as follows:

	Fiscal Year		Total
	1998-99	1999-2000	
Services and supplies	\$ 180,118	\$ 118,135	\$ 298,253
Travel and training	—	32,916	32,916
Subtotals	180,118	151,051	331,169
Indirect costs	(267,754)	(323,193)	(590,947)
Audit adjustment	\$ (87,636)	\$ (172,142)	\$ (259,778)

### Recommendation

The county revised its accounting system in FY 2000-01 for the District Attorney's Office, Family Support Division, to provide a more accurate distribution of services and supplies, and travel and training costs to the four units within the division. The county should continue to use the revised accounting system in subsequent fiscal years.

### County's Response

[There] are two flaws with the methodology used in the SCO Finding #2. The first flaw in Finding #2 is to adjust the previous years ICRP due to a change in accounting systems, management structure, and a corresponding reduction in the ICRP in a subsequent year. The County's position is that indirect costs should not be adjusted for fiscal years 1998-99 and 1999-00 as reflected in Exhibit "A". The ICRP in place before 2000-01 was consistent with the *Parameters and Guidelines*, OMB Circular A-87, the FSD accounting system and organizational structure. The findings presented by the SCO would effectively be penalizing the County for following the *Parameters and Guidelines* and adopting a more effective accounting system.

The second flaw in Finding #2 was to use the first year of the new accounting system (fiscal year 2000-01) as the base year or “benchmark” for ratios to apply to previous years. Fiscal year 2000-2001 was the first year that direct program costs could be attributed to the appropriate division within the Family Support budget thereby increasing direct costs and reducing indirect costs. However, this first year of change, was not the best benchmark for comparison to prior years because there existed a greater likelihood for other County departments to charge direct Child Abduction costs to the wrong division within Family Support thereby reducing total direct costs. If the SCO insists on adjusting the prior years ICRP the County recommends using the second year of the new accounting system, fiscal year 2001-02, as the benchmark for comparison to the 1998-99 and 1999-00 direct costs. The County is certain that the second year of the new accounting system reflects a greater level of accuracy due to all departments being familiar with the new divisional billings. . . .

#### SCO’s Comment

The audit finding has been revised to use FY 2001-02 costs as a basis for determining audit adjustments for FY 1998-99 and FY 1999-2000. The SCO disagrees with the remainder of the county’s response, and the recommendation remains unchanged.

The SCO is not penalizing the county for adopting a more effective accounting system. In addition, the county’s statement that the SCO is adjusting FY 1998-99 and FY 1999-2000 indirect costs simply because the FY 2000-01 indirect cost rate is significantly less than the prior years is inaccurate. The SCO adjusted both indirect costs and direct services and supplies, and travel and training costs claimed because the FY 2000-01 ICRP shows that these costs were not allocated equitably to the Child Abduction Unit in FY 1998-99 and FY 1999-2000.

OMB Circular A-87 states that indirect cost pools should be distributed to benefited cost objectives on bases that will produce an equitable result in consideration of relative benefits received. As stated in the county’s response, the implementation of the new accounting system allowed the organization to isolate and identify direct costs more effectively. As a result, most costs that were formerly included in the indirect cost pool for FY 1998-99 and FY 1999-2000 were instead directly charged to benefiting units starting in FY 2000-01. The implementation of the county’s new accounting system in FY 2000-01 showed that the prior years’ distribution of services and supplies, and travel and training costs to the FSD units was not equitable in consideration of relative benefits received. Total direct and indirect services and supplies, and travel and training costs allocated to the Child Abduction Unit, in proportion to direct salaries and wages, were significantly less after the new accounting system was implemented. Therefore, costs claimed in FY 1998-99 and FY 1999-2000 were adjusted by lowering the allowable indirect cost rate while allowing a corresponding increase to direct services and supplies, and travel and training costs.

**FINDING 3—  
Unallowable fixed  
asset costs claimed**

A portion of costs claimed for fixed assets in FY 1999-2000 and FY 2000-01 is unallowable. The county was unable to provide documentation verifying that fixed assets were used for mandate program purposes only. Unallowable fixed asset costs totaled \$19,799.

Fixed asset costs claimed for FY 1999-2000 included \$21,715 for five laptop computers. Fixed asset costs claimed for FY 2000-01 included \$109,062 for four vehicles and other miscellaneous equipment. County personnel indicated that investigators used these fixed asset items solely for child abduction activities. However, time records for investigators showed that investigators worked on additional activities besides child abduction. For laptop computers and handheld radios, the county was unable to provide any supporting documentation showing these items were assigned to investigators who worked solely on child abduction activities. For vehicles, the county was unable to provide supporting documentation such as mileage logs, usage reports, etc., to show that vehicles were used solely for child abduction activities.

In the draft audit report, the SCO calculated allowable costs claimed for vehicles, laptop computers, and other miscellaneous equipment based on time spent by all investigators on child abduction activities versus total productive time for all investigators. In response to the draft audit report, the county identified specific investigators that were not assigned but did charge hours to the Child Abduction Unit (CAU), and other investigators that were assigned to the CAU for only part of the fiscal year.

Based on additional labor distribution documentation submitted, the SCO revised the methodology for calculating the percentage of investigator time applicable to child abduction activities. For investigators who were not assigned but did charge hours to the CAU, the SCO included CAU time and total productive time for only those pay periods during which CAU time was charged. For investigators assigned to the CAU for only part of the fiscal year, the SCO included only those pay periods during which the investigator was assigned to the CAU. For FY 1999-2000, investigator hours claimed as child abduction-related totaled 85.97% of total productive hours for the relevant pay periods. Therefore, 14.03% of fixed asset costs claimed for computer equipment is unallowable, totaling \$3,047. For FY 2000-01, 84.64% of total productive hours were child abduction-related. Thus, 15.36% of fixed asset costs claimed for vehicles and other miscellaneous equipment is unallowable, totaling \$16,752.

A summary of unallowable fixed asset costs is as follows:

	Fiscal Year		Total
	1999-2000	2000-01	
Audit adjustment	\$ (3,047)	\$ (16,752)	\$ (19,799)

*Parameters and Guidelines* states that other expenditures such as vehicles, office equipment, communication devices, memberships, subscriptions, and publications may be claimed if they can be identified as a direct cost of the mandate.

#### Recommendation

The county should maintain mileage or other usage logs for vehicles purchased to document activities for which vehicles are used. Vehicle costs should be allocated to benefited programs based on usage log documentation. Similarly, the county should maintain records that identify the assignment of computer equipment, handheld radios, and other fixed assets. Fixed asset costs should be allocated to benefited programs based on time spent by the employee to whom the assets are assigned.

#### County's Response

The county did not agree with the audit finding. Please refer to the Attachment for the full text of the county's response. The county contends that it is established policy in the CAU that, although investigators are rotated through assignments within the District Attorney's Office, equipment purchased with mandate funds is used for mandate purposes only. The county also states that *Parameters and Guidelines* does not list mileage or usage logs as required source documents for fixed asset verification. In addition, the county states that during the audit period, the District Attorney's Office had an established practice of "home garaging" for vehicles. Home garaging required that investigators garage the assigned vehicle at their personal residence. Child abduction vehicles were assigned to investigators working in the CAU and thus would not have been accessible to investigators that were not assigned to the CAU. Further, the county contends the SCO has overstated total productive hours for investigators by including total productive hours for investigators who are only on loan to CAU or are reassigned from CAU during the fiscal year.

#### SCO's Comment

Based on additional documentation provided, the SCO revised the methodology for calculating the percentage of investigator time applicable to mandate activities. For investigators who were not assigned but did charge hours to the CAU, the SCO included CAU time and total productive time for only those pay periods during which CAU time was charged. For investigators assigned to the CAU for only part of the fiscal year, the SCO included only those pay periods during which the investigator was assigned to the CAU. The revised calculations differ from those presented in Exhibit D of the county's response because the county excluded all time for investigators not specifically assigned to CAU, and because hours documented in the labor distribution reports submitted differed from hours shown on Exhibit D.

The SCO disagrees with the remainder of the county's response and the recommendation remains unchanged. Although the county contends that it was established policy to use mandate-purchased equipment for mandated activities only, the county indicated this was an unwritten procedure. Further, a policy statement, written or unwritten, does not provide sufficient documentation of actual equipment usage. *Parameters and Guidelines* states that only expenditures that can be identified as a direct cost of the mandate may be claimed.

Although mileage or usage logs are not specifically referenced, *Parameters and Guidelines* states that all costs claimed must be traceable to source documents that show evidence of and the validity of such costs. The county was unable to provide any evidence of actual equipment usage. Further, during audit fieldwork, the county was unable to provide any evidence supporting home garaging or that vehicles or other equipment were assigned to specific investigators. As a result, we identified mileage or usage logs as examples of appropriate source documents for vehicle usage.



**Attachment—  
County's Response to  
Draft Audit Report**

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**Office of the District Attorney**  
**ELIZABETH A. EGAN**  
District Attorney

Mr. Jim L. Spano  
Chief, Compliance Audits Bureau  
State Controller's Office  
300 Capital Mall, Suite 518  
Sacramento, CA 95814

Dear Mr. Spano:

The Fresno County District Attorney's Office has completed its response to the audit of the claims filed by Fresno County for costs of the legislatively mandated Child Abduction and Recovery Program (Chapter 1399, Statutes of 1976; Chapter 162, Statutes of 1992; and Chapter 988, Statutes of 1996) for the period of July 1, 1998, through June 30, 2001.

The audit found \$497,950 out of the \$3,362,219 claimed for this mandate was not allowable for a number of reasons but primarily that indirect costs were overstated. We argue that the methodology used to substantiate these findings is flawed. Furthermore, it is the position of Fresno County that the unallowable costs for this mandate should be \$27,654.

Please see the attached comments and exhibits for this audit response (additional documentation will be provided at your request). If there are questions or comments regarding the attached information please contact Stephen Rusconi of my Business Office at (559) 488-2810.

Sincerely,

Elizabeth A. Egan  
District Attorney

**FRESNO COUNTY DISTRICT ATTORNEY'S  
RESPONSE TO CHILD ABDUCTION AUDIT FINDINGS  
1998-99 THROUGH 2000-01**

**FINDING 1**

Fresno County claimed unallowable salaries and benefits totaling \$25,290. The County used incorrect hourly rates to claim costs for part-time and temporary employees, and claimed unallowable expenses as employee benefit costs.

**Recommendation**

The County should ensure that non-productive hourly rates are used when claiming salary costs for part-time and temporary employees. Further, the County should ensure that employee benefit costs claimed include only those allowable benefits that comprise compensation in addition to regular salaries and wages.

**Response**

The County is in agreement with Finding #1 and the recommendation has been implemented.

**FINDING 2**

Costs claimed by the County in FY 1998-99 and FY 1999-00 for services and supplies and travel and training were overstated. Unallowable costs totaled \$417,580.

**Recommendation**

The County revised its accounting system in FY 2000-01 for the District Attorney's Office, Family Support Division, to provide a more accurate distribution of services and supplies and travel and training costs to the four units within the division. The County should continue to use the revised accounting system in subsequent fiscal years.

**Response**

The County disagrees with Finding #2 that costs for fiscal years 1998-99 and 1999-00 services and supplies, and travel and training were overstated. The finding fails to recognize that the indirect cost rate plan was in compliance with the *Parameters and Guidelines* and OMB Circular A-87 under the accounting system and organizational structure in place at that time. The County can demonstrate that it is not appropriate to

adjust the previous years indirect costs based upon the accounting system and organizational structure that existed in a more current fiscal year.

The Family Support Division (FSD) of the District Attorney's Office has been responsible for child support enforcement, Welfare Fraud, Child Abduction, and PC 270 programs contained in the same budget unit since the early 1970s. The FSD has maintained the same accounting system and management structure since that time recouping indirect costs through the use of a departmental Indirect Cost Rate Plan (ICRP). According to the *Parameters and Guidelines* adopted by the Commission on State Mandates "compensation for indirect costs are eligible for reimbursement utilizing the procedure provided in the OMB Circular A-87." OMB Circular A-87, Attachment E, Section A.1. states that indirect costs are those that have been incurred for common or joint purposes. These costs benefit more than one cost objective and cannot be readily identified with a particular final cost objective without effort disproportionate to the results achieved. OMB Circular A-87, Attachment A, Section A.2.a.(3) states that each governmental unit, in recognition of its own unique combination of staff, facilities, and experience will have the primary responsibility for employing whatever form of organization and management techniques may be necessary to assure proper and efficient administration of grant awards.

The FSD departmental ICRP was compiled by the FSD accounting staff and approved by the County Auditor's Office before being applied to any claims for reimbursement. The departmental approved ICRP for FSD in fiscal years 1996-97, 1997-98, 1998-99, and 1999-00 was 63%, 51%, 54%, and 69% respectively. However, the organizational structure and accounting system for FSD was modified in fiscal year 2000-01 to comply with Senate Bill 542 and Assembly Bills 196 and 150 of 1999. These new bills restructured the child support enforcement program by creating a new State Department of Child Support Services and required the transfer of all local Child Support programs within the District Attorney's Offices to new County departments by January 1, 2003. To comply with the new bills FSD divisionalized the Family Support Budget 2865 into (4) smaller divisions: Family Support, Welfare Fraud, Child Abduction, and Special Remedies. These (4) smaller divisions of the FSD budget unit 2865 allowed the organization to isolate and identify direct costs more effectively in preparation of transferring out from under the District Attorney to a separate County department.

As a result of this division, the direct costs for the child abduction unit increased along with an associated decrease in the ICRP reducing the 2000-01 rate to 10%. Since the ICRP for fiscal year 2000-01 was reduced significantly for the Child Abduction Unit (CAU), the State Controller's Office (SCO) staff determined that allowable indirect costs for fiscal years 1998-99 and 1999-00 should be reduced to reflect the 2000-01 rate. As a result, SCO staff found unallowable indirect costs totaled \$280,078 for fiscal year 1998-99, and \$334,511 for fiscal year 1999-2000. The SCO staff also made corresponding adjustments to increase allowable direct costs claimed for services and supplies and travel and training for fiscal years 1998-99, and 1999-00. For fiscal year



1998-99 and 1999-00, SCO staff increased allowable services and supplies claimed by \$109,211 and \$87,798 respectively.

Our office disagrees with this method of determining unallowable indirect costs. The County has complied with the intent of the *Parameters and Guidelines* and OMB Circular A-87 in charging indirect costs for current and past years. The County was legislatively required to change its accounting system to accommodate the direction of the state in creating a new department for Child Support Services. The findings presented by the SCO would effectively be penalizing the County for adopting a more effective accounting system. The County's position is that it is not appropriate to adjust the fiscal year 1998-99 and 1999-00 ICRP costs simply because the 2000-01 ICRP is significantly less than the prior year's (See Exhibit "A").

However, if after reviewing the facts presented in our response, the SCO determines that an adjustment needs to be made to prior year indirect costs, the County recommends using fiscal year 2001-02 as the benchmark to determine the adjustment for direct costs. Fiscal year 2000-2001 was the first year that direct program costs could be attributed to the appropriate division within the Family Support budget thereby reducing indirect costs. However, this first year of change, was not the best benchmark for comparison to prior years because there existed a greater likelihood for other County departments to charge Child Abduction direct costs to the wrong division within Family Support thereby reducing total direct costs. The County recommends using the second year of the new accounting system, fiscal year 2001-02, as the benchmark for comparison to the 1998-99 and 1999-00 indirect cost rate. The County is certain that the second year of the new accounting system reflects a greater level of accuracy due to all departments being familiar with the new divisional billings. Using fiscal year 2001-02 as the benchmark for direct costs, the direct cost rate increases from 17% to 26% increasing allowable direct costs by \$180,082 and \$151,092 for fiscal years 1998-99 and 1999-00 respectively (see Exhibit "B").

In conclusion, there are two flaws with the methodology used in the SCO Finding #2. The first flaw in Finding #2 is to adjust the previous years ICRP due to a change in accounting systems, management structure, and a corresponding reduction in the ICRP in a subsequent year. The County's position is that indirect costs should not be adjusted for fiscal years 1998-99 and 1999-00 as reflected in Exhibit "A". The ICRP in place before 2000-01 was consistent with the *Parameters and Guidelines*, OMB Circular A-87, the FSD accounting system and organizational structure. The findings presented by the SCO would effectively be penalizing the County for following the *Parameters and Guidelines* and adopting a more effective accounting system.

The second flaw in Finding #2 was to use the first year of the new accounting system (fiscal year 2000-01) as the base year or "benchmark" for ratios to apply to previous years. Fiscal year 2000-2001 was the first year that direct program costs could be attributed to the appropriate division within the Family Support budget thereby increasing direct costs and reducing indirect costs. However, this first year of change, was not the best benchmark for comparison to prior years because there existed a

greater likelihood for other County departments to charge direct Child Abduction costs to the wrong division within Family Support thereby reducing total direct costs. If the SCO insists on adjusting the prior years ICRP the County recommends using the second year of the new accounting system, fiscal year 2001-02, as the benchmark for comparison to the 1998-99 and 1999-00 direct costs. The County is certain that the second year of the new accounting system reflects a greater level of accuracy due to all departments being familiar with the new divisional billings as identified in Exhibit "C".

### **FINDING 3**

A portion of costs claimed for fixed assets in fiscal year 1999-00 and 2000-01 is unallowable. The county was unable to provide documentation verifying that fixed assets were used for mandate program purposes only. Unallowable fixed asset costs totaled \$55,080.

### **Recommendation**

The County should maintain mileage or other usage logs for vehicles purchased to document activities for which vehicles are used. Vehicle costs should be allocated to benefited programs based on usage log documentation. Similarly, the County should maintain records that identify the assignment of computer equipment, handheld radios, and other fixed assets. Fixed asset costs should be allocated to benefited programs based on time spent by the employee to whom the assets are assigned.

### **Response**

The Fresno County District Attorney's Office does not agree with Finding #3 Unallowable Fixed Assets Costs Claimed. The methodology used in the determination of a fixed asset allocation percentage fails to consider the operations of the child abduction unit (CAU) and the established practices of the District Attorney's Office. Also, it fails to address specific issues that have resulted in an incorrect fixed asset allocation percentage.

The County does not maintain mileage or usage logs because the policy is that Child Abduction purchased equipment is used solely for Child Abduction activities. This has been an established policy within the CAU and was not identified as an issue in the findings and recommendations of the previous audit (fiscal years 1996-97, 1997-98). Additionally, the parameters and guidelines does not list mileage or usage logs as required source documents for fixed asset verification. The standard practice within the District Attorney's Office is to rotate investigators through assignments within the Bureau of Investigations. This occurs primarily for training purposes, but also in order to ensure proper coverage in each unit. Because this is a common occurrence within the office, management instructs any investigator that is transferring to another unit to leave all of the equipment with the unit to be used to for mandate program purposes only. This policy is communicated and enforced by upper management.



It is because of this policy that we feel the method of calculation presented by the SCO is inappropriate. There are several employees used in the calculation who were never assigned to the child abduction unit during the fiscal year. For fiscal year 2000-01, Investigators Brown and Cegeilski and in fiscal year 1999-00, Investigators Chavez, Cortina, Lew, Spaulding, Sumii, and Trevino coded fewer than 80 hours for child abduction activities. Yet, in determining the allocation percentage for these Investigators, each of their salaries for the entire fiscal year (including the hours worked while assigned to other units) was used. Our office disagrees with this method, as it does not consider the operations of the CAU. There are several instances that make it necessary for Investigators from other units to assist in child abduction activities. First, there are sometimes language barriers that exist between the Investigator and the families that they are assisting. This requires the need for an interpreter, which is sometimes not available within the CAU. Second, there is an established practice within the office that a minimum of two Investigators must travel on recovery cases that involve children in their teens or younger. Often during a child recovery, involved parents are emotional and hostile. This type of situation makes it necessary that two Investigators go on a recovery in order to ensure that the child is safely recovered. Also, due to the nature of the child abduction case, there is sometimes a need for a female Investigator to assist in the child recovery. When two Investigators are not available within the CAU, the District Attorney's office needs to be able to pull available resources from other units in order to meet the immediate needs of the families affected by child abduction. Serving in the capacity of interpreter and/or assisting in a recovery, Investigators from other units do not have access to child abduction equipment after their few hours of assistance for the unit. Furthermore, during this audit period, the District Attorney's Office had an established practice of home garaging. Home garaging required that Investigators garage the assigned vehicle at their personal residence. Child abduction vehicles were assigned to Investigators working in the CAU and therefore would not have been accessible to Investigators that were not assigned to the unit.

There are also Investigators included in the calculation that were not assigned to the CAU for the entire year. Yet, their entire fiscal year salary including time worked while assigned to other units was included in the denominator of the allocation percentage. The calculation assumes that these investigators worked in several different activities at the same time. Yet, reviewing the claimed hours in chronological order by pay period, it is clearly shown that the Investigators were working only on those activities for which they were assigned and there were only a few instances where it was necessary for them to assist in other activities. For example, in fiscal year 2000-01, Investigators Holly, Ogan, Swenning, Williams, and Win were all only assigned to the CAU for a portion of the year. By viewing their time coded by pay period, it is easy to distinguish at which point the Investigators were working on child abduction activities. As stated, the policy of the Fresno County District Attorney's Office is that child abduction purchased equipment is only to be used for child abduction activities. Therefore, when the Investigator was assigned to another unit, that Investigator would have not had access to any of the equipment purchased out of the child abduction budget. As a

result, we feel that the Investigators entire fiscal year salary should not be used in determining allowable fixed asset costs.

There are also specific issues that are not considered by this method of calculation. For example, Investigator Ogan's total fiscal year salary for fiscal year 1999-00 included a period of time in which she was an Office Assistant. During that same year her job classification was changed to Investigative Assistant. This allocation percentage includes the salary she earned while working as an Office Assistant where she would not have had access to the fixed asset items within the CAU.

Another issue of concern are the amounts presented by the SCO in the calculation for holiday, sick, and vacation time. The total fiscal year salary shown in the denominator for fiscal year 1999-00 & fiscal year 2000-01 includes actual holiday, vacation, and sick leave. The total salary claimed in the numerator is the salary plus vacation, holiday and sick leave based on the productive hourly rate. The use of an actual figure in one total and an averaged amount in the other creates an inaccurate percentage. For example, in fiscal year 2000-01, Bauer, Hopper, O'Leary, & Weigandt were assigned to the CAU for the entire year and all only coded time for child abduction activities. The allocation percentage for these employees time should be equal to 100% because they did not code time for any activity other than child abduction. Yet, their individual percentages as presented in the exhibit provided by the SCO, are below 100% and the difference is due to the inclusion of holiday, vacation, and sick leave in the calculation. This method presumes that the time off from work was actually time spent on additional activities besides child abduction.

Because of the problems discussed in the method of calculation provided by the SCO, we feel that the more accurate method of determining an allocation percentage should be based upon hours worked. Salary and fringe benefits should be excluded from the calculation since it skews the allocation percentage. Additionally, the hours used should only be the hours for the pay periods the Investigators were assigned to the unit. The calculation presented in Exhibit "D" addresses each of these issues. For fiscal year 1999-00, the CAU had 93.15% of total Investigator hours that were child abduction related. Therefore, 6.85% of fixed asset costs claimed for computers totaling \$1,487 should be unallowable. For fiscal year 2000-01, the CAU had 99.20% of total Investigator hours that were child abduction related. Therefore, .08% of fixed asset costs claimed for vehicles, computer equipment, and handheld radios, totaling \$877 should be unallowable.

The Fresno County District Attorney's Office has not required investigators to maintain mileage or usage logs because the investigators are required to use child abduction grant purchased equipment solely for child abduction activities. This has been an unwritten procedure within the Family Support/District Attorney's Office and has been communicated and enforced by upper management and has also been included in the training of CAU staff. Therefore, there is not a need for a fixed asset allocation since the equipment is only being used by child abduction staff for CAU activities. So, although it is true that time records show that Investigators worked on "additional



activities besides child abduction," this is due to the fact that there are staff reassignments throughout the year. Viewing Investigator hours by pay period shows that the point at which the Investigator is assigned to another unit is clearly delineated. From this method of presentation, you are able to see that the Investigator was coding time for a specific unit and when reassigned to child abduction, you are able to see only child abduction activity work codes. There are not instances where Investigators are working on several different grant activities at the same time. If this were shown on the time study, it could be argued that there would have to be an allocation method used to allocate costs to benefited programs since they were dividing their time between several units. However, the District Attorney's Office has strictly enforced the policy of keeping grant purchased equipment within the unit to be used solely for mandate program purposes. Therefore, following the same methodology provided by the SCO, with consideration for the established practices within the District Attorney's Office, we submit the calculation provided in Exhibit "D" as a more appropriate method of determining a fixed asset allocation percentage.

**FRESNO COUNTY DISTRICT ATTORNEY'S  
RESPONSE TO THE CHILD ABDUCTION AUDIT  
FOR FISCAL YEARS 1998-99, 1999-00, 2000-01**

**EXHIBIT "A"**

	State Controllers Finding			Fresno County's Recommendation			Reference
	Actual Cost Claimed	Allowable Per Audit	Audit Adjustments	Recommended by County	Recommended Adjustments	Difference	
<b>July 1, 1998-June 30, 1999</b>							
Salaries & Benefits	823,824	802,112	(21,712)	802,112	(21,712)	-	Finding 1
Services & Supplies	27,148	136,359	109,211	27,148	-	(109,211)	Finding 2
Subtotals	850,972	938,471	87,499	829,260	(21,712)	(109,211)	
Indirect	341,702	61,624	(280,078)	341,702	-	280,078	Finding 2
Subtotals	1,192,674	1,000,095	(192,579)	1,170,962	(21,712)	170,867	
Less: Other Reimbursements	(6,918)	(6,918)	-	(6,918)	-	-	
Total Costs	1,185,756	993,177	(192,579)	1,164,044	(21,712)	170,867	
Less: Amount paid by State		(1,185,756)		(1,185,756)			
Unallowable costs claimed		(192,579)		(21,712)			

	State Controllers Finding			Fresno County's Recommendation			Reference
	Actual Cost Claimed	Allowable Per Audit	Audit Adjustments	Recommended by County	Recommended Adjustments	Difference	
<b>July 1, 1999-June 30, 2000</b>							
Salaries & Benefits	717,973	716,127	(1,846)	716,127	(1,846)	-	Finding 1
Services & Supplies	11,985	66,079	54,094	11,985	-	(54,094)	Finding 2
Travel and Training	21,939	55,643	33,704	21,939	-	(33,704)	Finding 2
Fixed Assets	21,715	9,453	(12,262)	20,228	(1,487)	10,775	Finding 3
Subtotals	773,612	847,302	73,690	770,279	(3,333)	(77,023)	
Indirect	391,100	56,589	(334,511)	391,100	-	334,511	Finding 2
Subtotals	1,164,712	903,891	(260,821)	1,161,379	(3,333)	257,488	
Less: Other Reimbursements	(5,318)	(5,318)	-	(5,318)	-	-	
Total Costs	1,159,394	898,573	(260,821)	1,156,061	(3,333)	257,488	
Less: Amount paid by State		(1,159,394)		(1,159,394)			
Unallowable costs claimed		(260,821)		(3,333)			

	State Controllers Finding			Fresno County's Recommendation			Reference
	Actual Cost Claimed	Allowable Per Audit	Audit Adjustments	Recommended by County	Recommended Adjustments	Difference	
<b>July 1, 2000-June 30, 2001</b>							
Salaries & Benefits	745,012	743,280	(1,732)	743,280	(1,732)	-	Finding 1
Services & Supplies	68,584	68,584	-	68,584	-	-	Finding 2
Travel and Training	57,780	57,780	-	57,780	-	-	Finding 2
Fixed Assets	112,377	69,559	(42,818)	111,500	(877)	41,941	Finding 3
Subtotals	983,753	939,203	(44,550)	981,144	(2,609)	41,941	
Indirect	59,000	59,000	-	59,000	-	-	Finding 2
Subtotals	1,042,753	998,203	(44,550)	1,040,144	(2,609)	41,941	
Less: Other Reimbursements	(25,684)	(25,684)	-	(25,684)	-	-	
Total Costs	1,017,069	972,519	(44,550)	1,014,460	(2,609)	41,941	
Less: Amount paid by State		(830,515)		(830,515)			
Unallowable costs claimed		142,004		183,945			

	State Controllers Finding			Fresno County's Recommendation			Reference
	Actual Cost Claimed	Allowable Per Audit	Audit Adjustments	Recommended by County	Recommended Adjustments	Difference	
<b>July 1, 1998-June 30, 2001</b>							
Salaries & Benefits	2,286,809	2,261,519	(25,290)	2,261,519	(25,290)	-	Finding 1
Services & Supplies	107,717	271,022	163,305	107,717	-	(163,305)	Finding 2
Travel and Training	79,719	113,423	33,704	79,719	-	(33,704)	Finding 2
Fixed Assets	134,092	79,012	(55,080)	131,728	(2,364)	52,716	Finding 3
Subtotals	2,608,337	2,724,976	116,639	2,580,683	(27,654)	(144,293)	
Indirect	791,802	177,213	(614,589)	791,802	-	614,589	Finding 2
Subtotals	3,400,139	2,902,189	(497,950)	3,372,485	(27,654)	470,296	
Less: Other Reimbursements	(37,920)	(37,920)	-	(37,920)	-	-	
Total Costs	3,362,219	2,864,269	(497,950)	3,334,565	(27,654)	470,296	
Less: Amount paid by State		(3,175,665)		(3,175,665)			
Unallowable costs claimed		(311,396)		158,900			

**FRESNO COUNTY DISTRICT ATTORNEY'S  
RESPONSE TO THE CHILD ABDUCTION AUDIT  
FOR FISCAL YEARS 1998-99, 1999-00, 2000-01**

**EXHIBIT "B"**

	State Controllers Finding				Fresno County's Recommendation		
	Actual Cost Claimed	Allowable Per Audit	Audit Adjustments		Recommended by County	Recommended Adjustments	Difference
<b>July 1, 1998-June 30, 1999</b>							
Salaries & Benefits	823,824	802,112	(21,712)	17.0%	802,112	(21,712)	-
Services & Supplies	27,148	136,359	109,211		207,230	180,082	70,871
Subtotals	850,972	938,471	87,499		1,009,342	158,370	70,871
Indirect	341,702	61,624	(280,078)		61,624	(280,078)	-
Subtotals	1,192,674	1,000,095	(192,579)		1,070,966	(121,708)	70,871
Less: Other Reimbursements	(6,918)	(6,918)	-		(6,918)	-	-
Total Costs	1,185,756	993,177	(192,579)		1,064,048	(121,708)	70,871
Less: Amount paid by State		(1,185,756)			(1,185,756)		
Unallowable costs claimed		(192,579)			(121,708)		

	State Controllers Finding				Fresno County's Recommendation		
	Actual Cost Claimed	Allowable Per Audit	Audit Adjustments		Recommended by County	Recommended Adjustments	Difference
<b>July 1, 1999-June 30, 2000</b>							
Salaries & Benefits	717,973	716,127	(1,846)	17.0%	716,127	(1,846)	-
Services & Supplies	11,985	66,079	54,094		130,137	118,152	64,058
Travel and Training	21,939	55,643	33,704		54,879	32,940	(764)
Fixed Assets	21,715	9,453	(12,262)		9,453	(12,262)	-
Subtotals	773,612	847,302	73,690		910,596	136,984	63,294
Indirect	391,100	56,589	(334,511)		56,589	(334,511)	-
Subtotals	1,164,712	903,891	(260,821)		967,185	(197,527)	63,294
Less: Other Reimbursements	(5,318)	(5,318)	-		(5,318)	-	-
Total Costs	1,159,394	898,573	(260,821)		961,867	(197,527)	63,294
Less: Amount paid by State		(1,159,394)			(1,159,394)		
Unallowable costs claimed		(260,821)			(197,527)		

	State Controllers Finding				
	Actual Cost Claimed	Allowable Per Audit	Audit Adjustments		
<b>July 1, 2000-June 30, 2001</b>					
Salaries & Benefits	745,012	743,280	(1,732)	State Controller's Office Benchmark year	
Services & Supplies	68,584	68,584	-		9.23% (68,584/743,280)=
Travel and Training	57,780	57,780	-		7.77% (57,780/743,280)=
Fixed Assets	112,377	69,559	(42,818)		17.00% ((68,584+57,780)/743,280)=
Subtotals	983,753	939,203	(44,550)		
Indirect	59,000	59,000	-		
Subtotals	1,042,753	998,203	(44,550)		
Less: Other Reimbursements	(25,684)	(25,684)	-		
Total Costs	1,017,069	972,519	(44,550)		
Less: Amount paid by State		(830,515)			
Unallowable costs claimed		142,004			

	Actual Cost			
	Claimed	Per Audit		
<b>July 1, 2001-June 30, 2002</b>				
Salaries & Benefits	883,146	883,146	County recommended Benchmark year	
Services & Supplies	160,488	160,488		18.17% (160,488/883,146)=
Travel and Training	67,678	67,678		7.66% (67,678/883,146)=
Fixed Assets	242,918	242,918		25.84% ((160,488+67,678)/883,146)=
Subtotals	1,354,230	1,354,230		
Indirect	68,473	68,473		
Subtotals	1,422,703	1,422,703		
Less: Other Reimbursements	(30,469)	(30,469)		
Total Costs	1,392,234	1,392,234		
Less: Amount paid by State		(1,000,000)		
Allowable costs unreimbursed		392,234		



**FRESNO COUNTY DISTRICT ATTORNEY'S  
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**EXHIBIT "C"**

	State Controllers Finding			Fresno County's Recommendation			Reference
	Actual Cost Claimed	Allowable Per Audit	Audit Adjustments	Recommended by County	Recommended Adjustments	Difference	
<b>July 1, 1998-June 30, 1999</b>							
Salaries & Benefits	823,824	802,112	(21,712)	802,112	(21,712)	-	Finding 1
Services & Supplies	27,148	136,359	109,211	207,230	180,082	70,871	Finding 2
Subtotals	850,972	938,471	87,499	1,009,342	158,370	70,871	
Indirect	341,702	61,624	(280,078)	61,624	(280,078)	-	Finding 2
Subtotals	1,192,674	1,000,095	(192,579)	1,070,966	(121,708)	70,871	
Less: Other Reimbursements	(6,918)	(6,918)	-	(6,918)	-	-	
Total Costs	1,185,756	993,177	(192,579)	1,064,048	(121,708)	70,871	
Less: Amount paid by State		(1,185,756)		(1,185,756)			
Unallowable costs claimed		(192,579)		(121,708)			

	State Controllers Finding			Fresno County's Recommendation			Reference
	Actual Cost Claimed	Allowable Per Audit	Audit Adjustments	Recommended by County	Recommended Adjustments	Difference	
<b>July 1, 1999-June 30, 2000</b>							
Salaries & Benefits	717,973	716,127	(1,846)	716,127	(1,846)	-	Finding 1
Services & Supplies	11,985	66,079	54,094	130,137	118,152	64,058	Finding 2
Travel and Training	21,939	55,643	33,704	54,879	32,940	(764)	Finding 2
Fixed Assets	21,715	9,453	(12,262)	20,228	(1,487)	10,775	Finding 3
Subtotals	773,612	847,302	73,690	921,371	147,759	74,069	
Indirect	391,100	56,589	(334,511)	56,589	(334,511)	-	Finding 2
Subtotals	1,164,712	903,891	(260,821)	977,960	(186,752)	74,069	
Less: Other Reimbursements	(5,318)	(5,318)	-	(5,318)	-	-	
Total Costs	1,159,394	898,573	(260,821)	972,642	(186,752)	74,069	
Less: Amount paid by State		(1,159,394)		(1,159,394)			
Unallowable costs claimed		(260,821)		(186,752)			

	State Controllers Finding			Fresno County's Recommendation			Reference
	Actual Cost Claimed	Allowable Per Audit	Audit Adjustments	Recommended by County	Recommended Adjustments	Difference	
<b>July 1, 2000-June 30, 2001</b>							
Salaries & Benefits	745,012	743,280	(1,732)	743,280	(1,732)	-	Finding 1
Services & Supplies	68,584	68,584	-	68,584	-	-	Finding 2
Travel and Training	57,780	57,780	-	57,780	-	-	Finding 2
Fixed Assets	112,377	69,559	(42,818)	111,500	(877)	41,941	Finding 3
Subtotals	983,753	939,203	(44,550)	981,144	(2,609)	41,941	
Indirect	59,000	59,000	-	59,000	-	-	Finding 2
Subtotals	1,042,753	998,203	(44,550)	1,040,144	(2,609)	41,941	
Less: Other Reimbursements	(25,684)	(25,684)	-	(25,684)	-	-	
Total Costs	1,017,069	972,519	(44,550)	1,014,460	(2,609)	41,941	
Less: Amount paid by State		(830,515)		(830,515)			
Unallowable costs claimed		142,004		183,945			

	State Controllers Finding			Fresno County's Recommendation			Reference
	Actual Cost Claimed	Allowable Per Audit	Audit Adjustments	Recommended by County	Recommended Adjustments	Difference	
<b>July 1, 1998-June 30, 2001</b>							
Salaries & Benefits	2,286,809	2,261,519	(25,290)	2,261,519	(25,290)	-	Finding 1
Services & Supplies	107,717	271,022	163,305	405,951	298,234	134,929	Finding 2
Travel and Training	79,719	113,423	33,704	112,659	32,940	(764)	Finding 2
Fixed Assets	134,092	79,012	(55,080)	131,728	(2,364)	52,716	Finding 3
Subtotals	2,608,337	2,724,976	116,639	2,911,857	303,520	186,881	
Indirect	791,802	177,213	(614,589)	177,213	(614,589)	-	Finding 2
Subtotals	3,400,139	2,902,189	(497,950)	3,089,070	(311,069)	186,881	
Less: Other Reimbursements	(37,920)	(37,920)	-	(37,920)	-	-	
Total Costs	3,362,219	2,864,269	(497,950)	3,051,150	(311,069)	186,881	
Less: Amount paid by State		(3,175,665)		(3,175,665)			
Unallowable costs claimed		(311,396)		(124,515)			

Fresno County  
Legislatively Mandated Child Abduction and Recovery Program  
Analysis of Fixed Assets - FY 1999/2000  
Audit Period from July 1, 1998 through June 30, 2001  
S03-MCC-0005

Exhibit "D"

Total hours for Investigators and Investigative Assistants during period assigned to the Child Abduction Unit

FY 99-00			
Name	CAU Hrs	non-unit hours	Total Reg Hrs
BAUER, KATHLEEN	1,621.00	62.0	1,683.0
* CHAVEZ, PETE	0.00	0.0	0.0
* CORTINA, SAMUEL	0.00	0.0	0.0
COTTER, LEE	142.50	0.0	142.5
FUENTES, RUBEN	152.00	72.0	224.0
* HAMBY, DANETA E.	0.00	0.0	0.0
HAZEL, ANNA L.	142.00	0.0	142.0
HOPPER, RONALD D.	885.00	50.0	935.0
KANTARAKIS, JAMES	123.50	0.0	123.5
* LEW, JOHN F.	0.00	0.0	0.0
MACKIE, KATHRYN	861.00	0.0	861.0
MANGE, RUBEN	136.00	0.0	136.0
OGAN, DEANNA L.	1,501.00	0.0	1,501.0
O'LEARY, JOHN M.	383.00	0.0	383.0
** POLE, ROBERT	413.00	568.5	981.5
RABON, EVERETT	422.00	8.0	430.0
* SPAULDING, RODERICK	0.00	0.0	0.0
* SUMI, YOLANDA	0.00	0.0	0.0
SWENNING, JOHN	1,192.00	2.0	1,194.0
* TREVINO, MARIA	0.00	0.0	0.0
WEIGANDT, ROBERT C.	1,426.00	0.0	1,426.0
WIN, THOMAS	1,493.00	103.0	1,596.0
YBARRA, MELINDA A.	884.50	0.0	884.5
	11,777.50	865.5	12,643.0

Allocation %		
Claimed Hours	\$11,777.50	93.15%
Total Hours	\$12,643.00	

Claimed Fixed Assets	\$	21,715
Allocation %		93.15%
Allowable Fixed Assets	\$	20,228
Unallowable Fixed Assets	\$	1,487

\* Investigators not assigned to the Child Abduction Unit

\*\* Investigator Pole was reassigned to the Welfare Fraud Unit but was still involved in case #808287-7

Fresno County  
Legislatively Mandated Child Abduction and Recovery Program  
Analysis of Fixed Assets - FY 2000/2001  
Audit Period from July 1, 1998 through June 30, 2001

Exhibit "D"

Total hours for Investigators and Investigative Assistants during period assigned to the Child Abduction Unit

**FY 00-01**

Name	CAU Hrs	non-unit hours	Total Reg Hrs
BAUER, KATHLEEN	1,763.0	0.0	1,763.0
* BROWN, FORREST JR.	0.0	0.0	0.0
* CEGIELSKI, JOEL	0.0	0.0	0.0
HOLLY, TERRENCE	1,411.5	55.0	1,466.5
HOPPER, RONALD D.	1,674.0	0.0	1,674.0
OGAN, DEANNA L.	649.5	0.0	649.5
O'LEARY, JOHN M.	1,628.0	0.0	1,628.0
* RABON, EVERETT	0.0	0.0	0.0
SWENNING, JOHN	80.0	0.0	80.0
WEIGANDT, ROBERT C.	1,813.0	0.0	1,813.0
WILLIAMS, MARCIE	745.5	0.0	745.5
WIN, THOMAS	964.0	32.0	996.0
	<b>10,728.5</b>	<b>87.0</b>	<b>10,815.5</b>

	Allocation %	
Claimed Hours	<b>\$10,728.50</b>	
Total Hours	<b>\$10,815.50</b>	<b>99.20%</b>
Claimed Fixed Assets	\$	112,377
Less prorated fixed assets claimed	\$	(3,315)
Allocable fixed assets	\$	109,062
Allocation %		99.20%
	\$	108,185
	\$	3,315
Allowable Fixed Assets	\$	<b>111,500</b>
Unallowable Fixed Assets	\$	<b>877</b>

\* These investigators were not assigned to the Child Abduction Unit

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